

islature calculated to excite distrust, and the delay in providing for the payment of the interest on the stocks of the State, in specie or its equivalent, it cannot be reasonably expected that the full value which would attach to the stock under other circumstances, can now be obtained. Under this state of the case, the company has responded its action as to the present disposition of the stock.

4th. In full reliance on the subscription by the State to the stock of the company, and believing that it would be made available in time to meet its wants, we did not hesitate to enter into contracts for the construction of the canal between Dam No. 6, at Cucupon and Cumberland, with the exception of the light and alluvial sections.—The tunnel and deep cut between those points, being very difficult works, and requiring much longer time for their completion than the other portions of the line, had been placed under contract nearly two years previous to our last letting. We deemed it an imperative duty to press forward the canal with all possible vigor and dispatch, in order to reach the point where we are to rely chiefly for our revenue. This is all important to the State, and other parties who have invested largely in the stock of the company, and as yet received no return, and specially so to the company which is now burthened with the interest on the loan from the State, amounting to \$120,000 per annum. Large sums have been necessarily expended on this line of the canal in its location, and the acquisition of lands through which it passes, the latter item for which the company has paid or are bound, amounts to \$90,460—considerable payments have been made, or are due to contractors for work done. They are useful and respectable men, many of whom have been for years engaged in the construction of the canal, and in many instances all the means within their control has been expended in the preparations necessary for the commencement of a heavy work, and any failure on the part of the company to meet its engagements with them, would effect their ruin. These contracts above Dam No. 6, are upwards of seventy in number, and exceed in amount two millions and a quarter, and the contracts below that point, amount to eighty-seven—in all, about one hundred and sixty.

On the faith of said subscription, the company has also issued its promissory notes to a large amount, and without the use of which we could not have progressed with the works to the present day. The circulation and credit they have obtained, are based on said subscription, and on the contract for the stock.

5th. I have a letter addressed to me by the chairman of this committee, which I now present, and in compliance with the request therein made, furnish tabular statements prepared under the direction of C. B. Fisk, Esq. Chief Engineer of the company, with his explanations of the same, presenting a comparative view of the several estimates which have been made at various times, of the cost of constructing the several sections of the work, and of the actual cost so far as it has been completed above dam No. 5, and of the cost or contracted to be paid for constructing the unfinished portions of the work. A general abstract from the books of the treasurer, shew-